cities, a new bank will be required to **open rural nad semi-urban branches also** as may be laid down by RBI.

(n) Such a bank shall have to lay down its loan policy within the overall policy guidelines of RBI. While, doing so, it shall specifically provide prudential norms covering related party transactions.

(o) Such a bank shall make full use of modern infrastructural facilities in office equipments, computer, telecommunications etc. in order to provide good customer service. The bank should have a **high powered customer grievances cell to** handle customer complaints.

(p) Such other conditions as RBI may prescribe from time to time.

Losses of overseas branches of Indian Banks

7525. SHRI RAJUBHAI A. PARMAR: Will the Minister of FINANCE be pleased to state:

(a) whether a number of branches of Indian banks have been set up abroad:

(b) if so, the total number and details of foreign branches of Indian banks and how many and which of them are incurring losses, indicating the accumulated losses so far suffered by each; and

(c) what are the reasons for the losses and what steps have been taken and are being taken to revive to these bank branches?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY:. (a) and (b) Reserve Bank of India has reported that 103 overseas branches of Indian Banks were functioning as on 1st January, 1994, Details are given in the statement (*See* below) Reserve Bank of India has further reported that 24 overseas branches had accumulated losses of **US dollar 342 933 millions as n 31-3-93.**

(c) Some of the main reasons for accumulated losses of foreign branches of Indian Banks are given as under:—

(i) Sovereign debt incurred through non-re payment of loans given to certain countries.

(ii) Foreign currency loans given to project exporters as a part of projects in Iraq and Libya;

(iii) Higher provisions by banks on real estate loans due to fall in prices in UK & USA.

RBI has reported that concerned banks have fully provided for those accumulated losses as well as for problem credits as per requirements of regulatory authorities. In order to improve performance of their overseas branches the Nationalised Banks have been taking appropriate steps such as improved assets management, reduction of non-performing loans and economising operational expenditure.

Statement

Country-wise branches of Indian banks as on 1st January, 1994

Name of the country	State Bank of India	Bank of India	Bank of Baroda	Indian Bank	Indian Overseas Bank	UCO Bank	Canara Bank	Syndicate Bank	Bharat Overseas Bank	Total
Sri Lanka	2	..	..	2	2	..	..	..	..	6
United Kingdom	4	9	10	..	..	2	1	1	..	27
United States of America	5	2	1	..	..	..	..	..	..	8
Japan	2	2	..	..	..	..	..	..	..	4
Maldive Islands	1	..	..	..	..	..	..	..	..	1
West Germany	1	..	..	..	..	..	..	..	..	1
Bangladesh	1	..	..	..	..	..	..	..	..	1
Bahama Islands	1	..	1	..	..	..	..	..	..	2
Bahrain	1	..	..	..	..	..	..	..	..	1
Belgium	1	..	1	..	..	..	..	..	..	2
Singapore	1	..	..	1	1	3	..	..	..	7
Hongkong	1	2	..	..	2	2	..	..	..	7
Cayman Islands	..	1	..	..	..	..	..	..	..	1
Panama	1	..	..	..	..	..	..	..	..	1
France	1	1	..	..	..	..	..	..	..	2

1	2	3	4	5	6	7	8	9	10	11
Channel Islands	..	1	..	..	..	..	..	..	..	1
Fiji Islands	..	..	9	..	..	..	..	..	..	9
Guyana	..	..	1	..	..	..	..	..	..	1
Kenya	..	2	..	..	..	..	..	..	..	2
Mauritius	..	..	7	..	..	..	..	..	..	7
U.A.E.	..	..	6	..	..	..	..	..	..	6
Seychelles	..	..	1	..	..	..	..	..	..	1
South Korea	..	..	..	..	1	..	..	..	..	1
Thailand	..	..	..	..	..	.	..	..	1	1
Oman	..	..	3	..	..	..	..	..	..	3
TOTAL	23	21	40	3	6	7	1	1	1	103